

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of IP Enabled Services

WC Docket 04-36)

NOTICE OF PROPOSED RULEMAKING

Adopted: February 12, 2004 **Released:** March 10, 2004

Introduction:

ACN Communication Services, Inc. is provider of local and long distance voice and data telecommunications services to customers in 49 of 50 states. ACN's predominant customer base for these services is residential. In this response to the Notice of Proposed Rulemaking, ACN will address its perception of the current market for telecommunications services, the potential impact, both positive and negative that Voice Over Internet Protocol (VOIP) services are having and will continue to have on the telecommunications marketplace, and what ACN believes to be the appropriate regulatory treatment of these new and innovative services.

Specifically, ACN will address the role of existing technology in its primary target market, the potential role that new and innovative technologies such as Voice Over Internet Protocol may play in the evolution of ACN's business, and the manner in which ACN believes that VOIP should be treated from a regulatory standpoint in order to ensure, on the one hand, that the development of the technology to realize its full potential is encouraged, but on the other hand to ensure that viable competing technologies are not unfairly disadvantaged.

ACN has only comparatively recently begun to examine VOIP services. As such, the company is not prepared to submit a detailed analysis on the subject at this time, but reserves the right to do so in later responsive rounds of comments.

Categories of Service

Since VOIP is a nascent technology, ACN believes that it is important to encourage innovation. As such, the service should be subject to as little regulatory intervention as possible, while still maintaining the integrity and social responsibility that has historically

been inherent in the Public Switched Telecommunications Network (PSTN) and the concept of Universal Service.

Specifically, we would maintain that such services as Pulver Free World Dialup (FWD), that provides connectivity exclusively over the Internet, and only between its own customers, should be free of all regulation, except perhaps the requirement to notify its customers prior to any sale, of the limited nature of such a network's capabilities.

By contrast, services that interconnect to the PSTN, to move traffic to and from it, may in some instances be subject to regulation at the federal and / or state level. However, we believe that such regulation should be limited to that which is essential for consumer protection and to maintain the integrity of customer service and the integrity of network services, whether it be the Internet or the PSTN. Where there is a tension level between regulation and intervention, ACN believes at this stage in the development of the technology, that in the event of any tension between regulation and the encouragement of innovation, that the Commission should err on the side of encouraging innovation.

Access to Facilities

Since VOIP is heavily dependent upon access to broadband facilities, ACN believes that it is essential that access to such facilities be made available to VOIP providers on a non-discriminatory basis. To the extent possible while still complying with the Cable Television Deregulation Act, this non-discrimination provision should apply to Cable Television Providers. By ensuring universal access, it will be possible to provide incentives for broadband providers to expand their facilities, encourage robust competition in the new VOIP sector, and create safeguards that will encourage universal service in an environment that is much less regulation intensive.

In addition, at this nascent stage, VOIP Providers should be given wide latitude to develop their own policies regarding issues such as access to 911 Emergency Services and access for persons with disabilities. However, those services who choose a minimalist approach to these issues should be required at a minimum to notify their subscribers of the limited scope of access to these services. In addition, these providers should be required to adhere to existing Truth in Billing rules and practices and should be subject to the same sanctions for Slamming as other Telecommunications Service Providers.

Summary

In summary, ACN believes that the development of Voice Over Internet Protocol should be encouraged. At the same time, it is important that the core principles of Universal Service and Consumer Protection be honored even in the developmental stages of the technology. Finally, any advancement of the service, must protect and encourage fair, robust and unimpeded competition in the telecommunications marketplace. We therefore encourage the Commission to weigh these factors carefully in its ultimate decision.